

# COMMITTEE REPORT

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## MADAM PRESIDENT:

**The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 444, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:**

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 taxation.
- 4 Page 1, delete lines 1 through 15, begin a new paragraph and insert:
- 5 "SECTION 1. IC 6-1.1-12-9 IS AMENDED TO READ AS
- 6 FOLLOWS [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]:
- 7 Sec. 9. (a) An individual may obtain a deduction from the assessed
- 8 value of the individual's real property, or mobile home or manufactured
- 9 home which is not assessed as real property, if:
- 10 (1) the individual is at least sixty-five (65) years of age on or
- 11 before December 31 of the calendar year preceding the year in
- 12 which the deduction is claimed;
- 13 (2) the combined adjusted gross income (as defined in Section 62
- 14 of the Internal Revenue Code) of:
- 15 (A) the individual and the individual's spouse; or
- 16 (B) the individual and all other individuals with whom:
- 17 (i) the individual shares ownership; or
- 18 (ii) the individual is purchasing the property under a
- 19 contract;
- 20 as joint tenants or tenants in common;
- 21 for the calendar year preceding the year in which the deduction is

1 claimed did not exceed twenty-five thousand dollars (\$25,000);  
 2 (3) the individual has owned the real property, mobile home, or  
 3 manufactured home for at least one (1) year before claiming the  
 4 deduction; or the individual has been buying the real property,  
 5 mobile home, or manufactured home under a contract that  
 6 provides that the individual is to pay the property taxes on the real  
 7 property, mobile home, or manufactured home for at least one (1)  
 8 year before claiming the deduction, and the contract or a  
 9 memorandum of the contract is recorded in the county recorder's  
 10 office;

11 (4) the individual and any individuals covered by subdivision  
 12 (2)(B) reside on the real property, mobile home, or manufactured  
 13 home;

14 (5) the assessed value of the real property, mobile home, or  
 15 manufactured home does not exceed one hundred ~~forty-four~~  
 16 **sixty-five** thousand dollars ~~(\$144,000); (\$165,000);~~ and

17 (6) the individual receives no other property tax deduction for the  
 18 year in which the deduction is claimed, except the deductions  
 19 provided by sections 1, 37, and 38 of this chapter.

20 (b) Except as provided in subsection (h), in the case of real property,  
 21 an individual's deduction under this section equals the lesser of:

22 (1) one-half (1/2) of the assessed value of the real property; or

23 (2) twelve thousand four hundred eighty dollars (\$12,480).

24 (c) Except as provided in subsection (h) and section 40.5 of this  
 25 chapter, in the case of a mobile home that is not assessed as real  
 26 property or a manufactured home which is not assessed as real  
 27 property, an individual's deduction under this section equals the lesser  
 28 of:

29 (1) one-half (1/2) of the assessed value of the mobile home or  
 30 manufactured home; or

31 (2) twelve thousand four hundred eighty dollars (\$12,480).

32 (d) An individual may not be denied the deduction provided under  
 33 this section because the individual is absent from the real property,  
 34 mobile home, or manufactured home while in a nursing home or  
 35 hospital.

36 (e) For purposes of this section, if real property, a mobile home, or  
 37 a manufactured home is owned by:

38 (1) tenants by the entirety;

39 (2) joint tenants; or

40 (3) tenants in common;

41 only one (1) deduction may be allowed. However, the age requirement  
 42 is satisfied if any one (1) of the tenants is at least sixty-five (65) years

1 of age.

2 (f) A surviving spouse is entitled to the deduction provided by this  
3 section if:

4 (1) the surviving spouse is at least sixty (60) years of age on or  
5 before December 31 of the calendar year preceding the year in  
6 which the deduction is claimed;

7 (2) the surviving spouse's deceased husband or wife was at least  
8 sixty-five (65) years of age at the time of a death;

9 (3) the surviving spouse has not remarried; and

10 (4) the surviving spouse satisfies the requirements prescribed in  
11 subsection (a)(2) through (a)(6).

12 (g) An individual who has sold real property to another person  
13 under a contract that provides that the contract buyer is to pay the  
14 property taxes on the real property may not claim the deduction  
15 provided under this section against that real property.

16 (h) In the case of tenants covered by subsection (a)(2)(B), if all of  
17 the tenants are not at least sixty-five (65) years of age, the deduction  
18 allowed under this section shall be reduced by an amount equal to the  
19 deduction multiplied by a fraction. The numerator of the fraction is the  
20 number of tenants who are not at least sixty-five (65) years of age, and  
21 the denominator is the total number of tenants.

22 SECTION 2. IC 6-1.1-12-14 IS AMENDED TO READ AS  
23 FOLLOWS [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]:

24 Sec. 14. (a) Except as provided in subsection (c) and except as  
25 provided in section 40.5 of this chapter, an individual may have the  
26 sum of twelve thousand four hundred eighty dollars (\$12,480) deducted  
27 from the assessed value of the tangible property that the individual  
28 owns (or the real property, mobile home not assessed as real property,  
29 or manufactured home not assessed as real property that the individual  
30 is buying under a contract that provides that the individual is to pay  
31 property taxes on the real property, mobile home, or manufactured  
32 home if the contract or a memorandum of the contract is recorded in  
33 the county recorder's office) if:

34 (1) the individual served in the military or naval forces of the  
35 United States for at least ninety (90) days;

36 (2) the individual received an honorable discharge;

37 (3) the individual either:

38 (A) is totally disabled; or

39 (B) is at least sixty-two (62) years old and has a disability of at  
40 least ten percent (10%); and

41 (4) the individual's disability is evidenced by:

42 (A) a pension certificate or an award of compensation issued

by the United States Department of Veterans Affairs; or

(B) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the individual's disability qualifies the individual to receive a deduction under this section.

(b) Except as provided in subsection (c), the surviving spouse of an individual may receive the deduction provided by this section if the individual would qualify for the deduction if the individual were alive.

(c) No one is entitled to the deduction provided by this section if the assessed value of the individual's tangible property, as shown by the tax duplicate, exceeds one hundred ~~thirteen~~ **twenty-five** thousand dollars ~~(\$113,000)~~ **(\$125,000)**.

(d) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 3. IC 6-1.1-12-17.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]:  
Sec. 17.4. (a) Except as provided in section 40.5 of this chapter, a World War I veteran who is a resident of Indiana is entitled to have the sum of eighteen thousand seven hundred twenty dollars (\$18,720) deducted from the assessed valuation of the real property (including a mobile home that is assessed as real property), mobile home that is not assessed as real property, or manufactured home that is not assessed as real property the veteran owns or is buying under a contract that requires the veteran to pay property taxes on the real property, if the contract or a memorandum of the contract is recorded in the county recorder's office, if:

(1) the real property, mobile home, or manufactured home is the veteran's principal residence;

(2) the assessed valuation of the real property, mobile home, or manufactured home does not exceed one hundred ~~sixty-three~~ **eighty-five** thousand dollars ~~(\$163,000)~~ **(\$185,000)**; and

(3) the veteran owns the real property, mobile home, or manufactured home for at least one (1) year before claiming the deduction.

(b) An individual may not be denied the deduction provided by this section because the individual is absent from the individual's principal

1 residence while in a nursing home or hospital.

2 (c) For purposes of this section, if real property, a mobile home, or  
 3 a manufactured home is owned by a husband and wife as tenants by the  
 4 entirety, only one (1) deduction may be allowed under this section.  
 5 However, the deduction provided in this section applies if either spouse  
 6 satisfies the requirements prescribed in subsection (a).

7 (d) An individual who has sold real property, a mobile home not  
 8 assessed as real property, or a manufactured home not assessed as real  
 9 property to another person under a contract that provides that the  
 10 contract buyer is to pay the property taxes on the real property, mobile  
 11 home, or manufactured home may not claim the deduction provided  
 12 under this section with respect to that real property, mobile home, or  
 13 manufactured home.

14 SECTION 4. [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]  
 15 **IC 6-1.1-12-9, IC 6-1.1-12-14, and IC 6-1.1-12-17.4, all as amended**  
 16 **by this act, apply to property taxes first due and payable after**  
 17 **December 31, 2007."**

18 Renumber all SECTIONS consecutively.  
 (Reference is to SB 444 as introduced.)

**and when so amended that said bill do pass .**

Committee Vote: Yeas 10, Nays 0.

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**Senator Kenley, Chairperson**